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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000704

NOFORN SIPDIS

FOR EUR/SCE, EUR/ACE, EUR/PPD AND DS/IP/EUR

E.O. 12958: DECL: 09/17/2018
TAGS: PREL PGOV ASEC KCRM HR

SUBJECT: PRIME MINISTER REPLACES JUSTICE AND INTERIOR MINISTERS AND NATIONAL POLICE CHIEF IN RESPONSE TO APPARENT MOB HIT IN DOWNTOWN ZAGREB

REF: ZAGREB 690

Classified By: Rick Holtzapple, PolEcon Counselor, for reasons 1.4 (b) & (d).

## SUMMARY

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- 11. (C) SUMMARY: An apparent mob hit killed the daughter of a prominent local lawyer on a downtown street in broad daylight on October 6. In reaction, Prime Minister Sanader has replaced Croatia's Justice and Interior Ministers, as well as the country's Director General of the Police. The brazen killing (along with the unrelated murder of a 17-year-old girl at a bus stop earlier the same morning) has heightened pressure on the government to do something about organized crime and contributed to a growing sense of dissatisfaction with efforts to address a perceived escalation of violent crime of all sorts in Zagreb. Initial public and media response to the Prime Minister's appointments has been generally positive, however, as the ousted ministers were seen as among the least effective in the government. The three new officials -- Interior Minister Tomislav Karamarko, Justice Minister Ivan Simonovic and Police DG Vladimir Faber -- are all well known to the Embassy, and have the potential to be significant improvements over their predecessors. END SUMMARY.
- ¶2. (C) At around 11 a.m. on the morning of October 6, Ivana Hodak, the 26-year-old daughter of a prominent local criminal attorney, was shot three times at close range by an unknown assailant on the steps in front of her apartment building on a major downtown street just blocks from the Foreign Ministry and the central Zagreb police station. According to some accounts, the attacker may have fled the scene in a car with Bulgarian plates. The victim's father, Zvonimir Hodak, is the lawyer for Vladimir Zagorec, a retired Croatian general with suspected organized crime links who was extradited to Croatia last week (reftel) on corruption charges stemming from arms deals in the 1990's. These connections, and the nature of the crime sparked immediate speculation that this crime was meant to intimidate Zagorec from revealing anything he knows about other criminal activities. (NOTE: In a conversation with the Ambassador last week, Chief State Prosecutor Mladen Bajic confirmed that his office was interested in interviewing Zagorec to see if he could provide useful information leading to other criminal suspects. END NOTE.)
- ¶3. (SBU) The killing is the latest in a series of high-profile crimes over the past few months, many of which have apparent links to organized crime and/or corruption, including the beating of a journalist who covers organized crime and two local executives involved in investigations,

and the murder of two other figures linked to organized crime networks. Several local media outlets have been scathing in their coverage of the government's and the police's ineffectiveness in solving these crimes, often linking it to a more general sense of insecurity within Zagreb -- despite the fact that overall crime statistics have generally been steady or even declining over the past few years.

- $\underline{\P}4$ . (C) In response to the public outcry over the killings, Prime Minister Sanader held a hastily-convened televised press conference last night scheduled to coincide with the end of the evening news, at which he announced the dismissal of Interior Minister Berislav Roncevic, Justice Minister Ana Lovrin, and Director General of the Police Marijan Benko. Sanader said that, in consultation with President Mesic, he was naming Tomislav Karamarko, current head of the Croatian Intelligence Agency, as new Interior Minister; Ivan Simonovic, a former diplomat and currently vice dean of the Law Faculty, as Justice Minister. He added that the Government would propose Vladimir Faber, a former high police official, to be the new Director General of the Police, a position which must be filled via the civil service appointments process. Sanader further stressed that he was taking these steps to underline the government's determination to ensure that Croatia could not become "a mafia state." Sanader also noted that Karamarko's current deputy would be named to take over at the head of the intelligence service.
- $\P5$ . (SBU) All of these new senior officials are well known to the Embassy. The Ambassador has regularly met for lunch with Karamarko and his deputy, and the Embassy has a very

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cooperative relationship with both. Professor Simonovic, a former Fulbright scholar at Yale who served in the Croatian delegation at Dayton and then as PermRep to the UN in New York, has been a good contact of the Embassy since 1992. Mr. Faber, who has been a key and courageous figure in investigating the war crimes case against local Croatian strongman Branimir Glavas, has also had considerable Embassy contact, including as an International Visitor Program participant in November 2006. (NOTE: Benko has also been a key contact of the Embassy, and in fact, received news of his firing while on an ICITAP-funded study tour in California aimed at improving Croatian handling of witnesses in criminal cases. END NOTE.)

16. (C/NF) COMMENT: The government clearly is under pressure to do something about crime and corruption in Croatia. Dealing with these issues is a high priority for the government, and has been a long-standing focus of the Embassy's own ICITAP program, as well as other law enforcement and security cooperation. Our programs have had successes in improving the handling of witnesses, establishing asset seizure mechanisms, and promoting changes to investigative procedures that are now awaiting implementation. The impact of these reforms, however, has been constrained by the failure of top level officials, including the dismissed ministers, to implement the systemic reforms that are also been demanded by the EU. In fact, the dismissed ministers are generally viewed by the Croatian public and most international diplomats as among the weakest performers in the government. Many commentators have long questioned why such key portfolios as internal security and judicial reform have been left in the hands of two ministers with such poor records of delivery. Police Chief Benko has had a somewhat higher reputation as a qualified professional, but he has also been hamstrung by an indecisiveness driven in part by a lack of top-level political support. The replacement of these three officials, therefore, may well give new and needed energy to reform efforts, not just to combating organized crime, but more generally within their areas of responsibility. END COMMENT. Bradtke